

ADVERTISING REVENUE AND TELEVISION



When it comes to advertising in the United States, the amount of spending slowed down last year. Some statistical data shows that during the months of October and November, the amount of spending for advertisements had declined by 0.3% from the same time period during the year before, when spending actually rose by 1.5%. However, there was a surprise. Television advertising actually rose by 4.2% within the span of those two months, along with a previous 2.3% rise. Television advertising seemed to be the only advertising on the rise, as Internet advertisements even declined by 5.3% during October and November. Some people may find it shocking that television seemed to have the most strength in terms of growth, especially since more people spend time on the computer and the Internet than they do watching television. However, some advertisers are wise when it comes to their marketing strategies and choose some of the most popular television shows to advertise on, as a way of captivating an audience and grasping the consumers' attention. And, while television advertisement did increase, different companies are having mixed results. Some companies, such as CBS, reported slower than usual advertisement sales during the fourth quarter. However, Discovery Communications, known for providing the Discovery Channel and Animal Planet, made reports of a dramatic increase in advertisement revenue. With that said, one may wonder why Discovery is having such success while other companies are not seeing the same results. It is believed that Discovery is using some of its popular new channels, such as Investigation Discovery, to help raise the rates for all of its channels, including the Discovery Channel and Animal Planet. Investigation Discovery is younger than the other two channels but has become increasingly popular as true crime investigations and forensics are regularly featured on the show. In fact, Investigation Discovery has had so much success; it is expected to earn nearly \$185 million from advertisement revenue during 2012, which would be a 41% increase from 2008, when it earned about \$46 million. It is quite obvious that the Investigation Discovery channel was definitely the right move to make, as it is what is helping Discovery to earn more from advertisement revenue while also bringing attention to the older, mature channels, like Animal Planet, which could definitely use some support. When it comes down to all of other channels and companies out there, the worry may not be exactly from the Internet. These companies and channels not only have to compete with the Internet, they also need to compete with one another. And, competing with some of the hottest available channels right now, such as Investigation Discovery, can be difficult for certain companies, causing their networks to fade.